

Message Text

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ORIGIN EB-07

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FM SECSTATE WASHDC

TO AMEMBASSY SOFIA

C O N F I D E N T I A L STATE 196897

E.O. 11652: GDS

TAGS: ESTC, BU

SUBJECT: SALE OF COMPUTER SYSTEM TO BULGARIAN STATE
PLANNING COMMITTEE

REF: SOFIA 1619

1. INTERAGENCY GROUP DISCUSSED IBM 370/158 COMPUTER APPLICATION FOR BULGARIAN STATE PLANNING COMMITTEE JULY 23 AND AGAIN JULY 30. FOR EMBASSY'S INFORMATION ONLY, THERE CONTINUES TO BE CONCERN OVER SIZE OF THIS COMPUTER IN RELATION TO PROPOSED END USE. ONE INDEPENDENT COMPUTER SPECIALIST TOLD IAG THE EQUIPMENT WAS SUITED FOR END USE, BUT SMALLER COMPUTER WOULD ADEQUATELY FILL NEED OF PLANNING ORGANIZATION. FURTHER CONCERN EXPRESSED OVER TRANSFER OF OPERATIONAL TECHNOLOGY WHEN SELLING SOPHISTICATED COMPUTER OF THIS TYPE; IE., BY APPLYING SOFTWARE TECHNIQUES (PART OF SALES PACKAGE) TO STATE PLANNING PROBLEMS, POSSIBILITY EXISTS THAT BULGARIANS COULD FATHOM OTHER USES FROM EXPOSURE TO THESE TECHNIQUES -- USES WHICH THROUGH SUBSEQUENT APPLICATION MAY PROVE SENSITIVE TO U.S. SECURITY. INTERESTED AGENCIES REVIEWING CASE

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TIVE TO U.S. SECURITY. INTERESTED AGENCIES REVIEWING CASE

IN VIEW THESE CONCERNS.

2. IBM HAS SOLD ONLY ONE 370/158 IN EASTERN EUROPE. THAT SALE REQUIRED APPROVAL OF PRESIDENT AND IS INSTALLED AT KAMA RIVER PROJECT IN SOVIET UNION. WE RECENTLY DENIED AN APPLICATION FOR A 158 TO THE SOVIET INTOURIST GROUP. WE KNOW IF THE PROPOSED BULGARIAN SALE GOES THROUGH, IBM WILL PRESS FOR APPROVAL THREE OTHER APPLICATIONS RECENTLY SUBMITTED FOR SALES IN EASTERN EUROPE OF THIS SIZE COMPUTER. HENCE QUESTION OF PRECEDENT ALSO OF CONCERN IN WASHINGTON.

3. TO DATE NO APPLICATION FOR EXPORT LICENSE HAS BEEN RECEIVED FROM BURROUGHS. PROBABILITY EXISTS THAT BOTH IBM AND BURROUGHS CASES WILL BE WEIGHED TOGETHER IF DECISION ON IBM APPLICATION NOT REACHED SOON. WILL KEEP EMBASSY APPRISED OF ACTION. HABIB

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